

HMRC requires employers to conduct an earnings assessment for all new scheme members. Employers can record the results of their earnings assessment in their personnel files or keep a separate record of their choice.

Where employers choose to keep a calculation form for each scheme member, we hope the following template will be useful.

Employees Name

NI Number

Payroll Number

Financial Year

Basic Contractual Salary

If part-time, enter actual part-time salary

For mid-year joiners, enter an annual figure

Allow for any known pay rises or planned changes in hours

Add Contractual allowances:

Commission

Use the lower of last year's commission or an average of the last 2 years

Pro-rate part-year figures up to a full year

Ignore commission in the first year of an employee receiving it.

Contractual Bonuses

Include any bonuses which are guaranteed and not dependent on performance

Regional Weighting

Shift Allowances

Include any guaranteed allowances

Include an estimate of any shift allowances which are contractual but not guaranteed

For estimates, use the lower of last year's figure or the average of the last two

Guaranteed Overtime

Include any guaranteed overtime payments

Ignore overtime which is at a contractual rate but not guaranteed

Other Contractual allowances

- Eg skills allowance or market rate supplement

Add Taxable Benefits:

Company Car

Healthcare Benefits

Taxable Flexible Benefits

only include if the flex allowance is not already taken into account in the employee's salary figure above

Other

Childcare vouchers in excess of the tax-exempt allowance should be recorded here

Deduct

Employee Pension Scheme Contributions:

Also include additional voluntary contributions

Payroll Giving

Salary Sacrifice Arrangements

Deduct the amount by which the employee's salary will be reduced

Only make a deduction if the employee's salary figure above does not already reflect the salary sacrifice

Childcare Vouchers

Pension (salary sacrifice scheme)

Cycle to Work

Other -

Details of Other Salary Sacrifice

Personal Tax Allowance

* State in box where this value has been taken from P45/P46/Payroll Tax Code*

Annual Personal Tax Allowance Amount

Total Relevant Earnings

Basic Salary plus allowances and benefits, less the above deductions

Tax Band Thresholds

Select the earnings band which applies to this employee, to determine the amount of childcare vouchers which they are entitled to receive.

Relevant Earnings	Maximum Voucher Allowance	
	Weekly	Monthly
Less than £43,000	£55.00	£243
£43,001 to £150,000	£28.00	£124
£150,000 or more	£25.00	£110

Date of Assessment -

Completed by -

Checked by -